Previous references.

19-13 fl 30, 35 × 36

3[illegible]-13 fl 37 × 38

1903-14

(Banking)

File No. 19-13

Serial Nos. 49 × 50

Later references.

58-15 Sl. 1, B. Aug 1915

40-16 (20, 24, 30, 31 & 32/13)

16-17 Sl 27, 29, 3[illegible] 34,

17-18 Sl 115, B-Dec 18

159-18 " 1-7, B Feb 1919

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 49 × 57

Part B. for August 14

Right of [illegible] carrying interest, in

[illegible] deposit with Bank

From the Manager Bank of Mysore

Lr No 0 dt 24-5-14

Re G.O dt 12-5-14 informing that the rate of interest by 3 p.c on fort deposit for rupees for one year only - Communicates the Govt minute interpreting the order as referring to whole period of the loan.

H R S 58

To the Manager, Bank of Mysore

Lr No K 873 dt 26-8-13

states that Govt consider it [illegible] to retain

G.R.S. 11] 1913-14

GENERAL AND REVENUE SECRETARIAT.

Banking

NOTES.

File No. 19

FILE HEADING.

Bank of Mysore Ld

From The Manager, Bank of Mysore Ld

No. 90 Dated 28.5.14 Received 30.5.14

Diary No. 4886 | Enclos. 1 | Spare Copies. | Serial No. 49

BRIEF ABSTRACT OF LETTER.

With reference to G.O. No. 5318/B19-13-38 of 12.5.14 informing the Manager that the rate of interest viz 3 p.c on the loan, sanctioned in the order of the G.O. branch, of half the paid up capital, be regarded as for one year only - communicates the Directors minute interpreting the order of the G.O. branch as referring to the whole period of the loan.

NOTES AND ORDERS.

1 The meaning of 'to carry interest at 3 p.c if the deposit is of a permanent character' is apparently

NOTES—First Sheet.

misunderstood by the Bank authorities as covering the interpretation that the rate of interest was fixed for the whole period of the loan & not for one year only. But under clause 4 (1) of the order of the 12th March 1913 Govt have reserved the power of varying whatever interest they consider reasonable which was to be however not less than 3 p.c.

2) The word 'reasonable' in the G.O of the 12th March cannot certainly mean that interest can be forecasted once for all for a period of 10 years!. So it is deliberately used to mean from time to time according to the need of the money market. The Bank authorities seem to appear to have jumped to a wrong conclusion about the interest especially as the wording in the G.O. the 18th March 14 mentioning the deposit seems

Serial No.

favourable to them. They should before passing the minute have taken into consideration the latitude of clause 4 (1) of the order sanctioning the formation of the Bank. That they have not awarded of this is brought out by the word 'minimum' mentioned in para 2 of the Managers' present reference.

3) In the dealings of Govt with the Bank of Madras the words 'deposit of a permanent character' must bear a definite meaning - & this may be communicated to the Imperial Bank authorities disclosing their interpretation.

Submitted for orders

Sd SN 5/6.

4) Whether the value of the Bank is reasonable & that the rate specified cannot be changed till the period of four years under clause 4 (1) of the order is exceeded

Sd

General and Revenue Secretariat.

B File No. 17 of 1913.

Serial No.

5) I consider it desirable for Govt to retain the right of fixing the rate of interest from year to year.

[In my note of 4.5.14 I desired that the draft in question should issue after approval by Dewan. I want Attorney to explain whether this instruction was carried out. M 22/7]

M 22/7

6) Absence of the Attorney's definite instructions in this case have not been carried out. The Office of the Case Worker is not to be ignored. The omission being thus recorded is to be excused.

23.7.14

7) Here's a case in which the Asst Sec have seen that the Undersecs regular & the Case worker also. I see from that just when I was having my mind made up & ordered the office to pull me up & said it ought to have been done & as instructed & expected &c.

Asst Sec 4 seen. The case may now go up to Dewan. 28/7

F.

inspection by Sub-E I pray the mistake may be forgiven. It was only an error having the instruction to issue after approval of the draft by the Hon'ble Minister in charge of the Department.

B 1914 dt 3/7/38 & 1914

GPB 60,000—7-11-13

R. S. 12]

General and Revenue Secretariat.

B File No. 19 of 1913.

Serial No.

567
30-7-14

Dewan)

29.7.14

9- I think the Finl Secretary's view is correct

4.8.14 RC

10 The Dewan desires that the draft reply may kindly be sent for approval before issue.

4/8/14 Dewan

11

Draft submd.
Sd/ SW
7/8-7/8 Dedesp

7/8/14

8/8

12 Draft approved

10/8/14

13

Tidy draft submd.
Sd/ SW
10/8 Dedesp

11.8.14

13/8

Dewan)

General and Revenue Secretariat.

B File No. 19 of 1913.

Serial No.

Draft approved by Dewan

20-8-14

Looney
Tostle

50 To the Manager Bank of Mysore Ltd

No 7873 of 26-8-14

Sahib that Govt consider it desirable to retain the right of fixing interest from year to year & that therefore the rate of interest at 3 p.c. will be in force for one year from 1st Aug 1914 for one year.

ALL COMMUNICATIONS TO BE ADDRESSED TO THE MANAGER.
TELEGRAPHIC ADDRESS: "MYSOREBANK"
CODE: A. B. C. 5TH EDITION.

Copied.

The Bank of Mysore, Ltd.,

Bangalore, 28th May 1914.

No. D/0

DIARY No 4886

1913 1914
SECTION: Banking
B 19-13
49

The Secretary to the Government of
His Highness the Maharja of M
Financial Branch,
Bangalore.

Dear Mr. Chakravarti,

I am in receipt of your letter No.Fl.5318/B.19-13-38 dated 12th instant informing me that the rate of interest viz., 3% on the loan snactioned by Government under their order No.4261-2/B.19-13-31 dated 18th March 1914 may, for the present, be regarded as fixed for one year only from 1st May 1914. This intimation has come upon the Board of Directors as a surprise.

In my letter No.G.1/52 dated 20th February 1914, the Bank applied for a deposit of half the paid up capital at 3% interest which was the minimum promised in para 4 of Government Order No.Fl.5121-73/B.9-12-2 of 12th March 1913. Government were pleased to sanction the deposit which was "to carry interest at 3% if it (the deposit) "is of a permanent character or 3½% if repayable by the "Bank after 31days notice."

The Directors thereupon resolved to accept the loan as a permanent one at 3% interest. Vide my letter No.G. 1/92 of 22nd April 1914. The matter was considered as closed.

The Directors intended the deposit to be a permanent one, and never contemplated an annual loan. Under the circumstances, they would respectfully urge that the question of interest is not open to reconsideration at the end of one year.

I enclose a copy of their resolution dated 21st instant.

Trusting you will favorably view the representation,

I remain,

Yours sincerely,

Manager.

nute passed by the Poard at their

eting held on the 21st May 1914.

"Resolved that a pepresenta-
ion be made to the Government
ointing out the permanent nature
f the loan sanctioned by them
nder their proceedings dated 18th
arch 1914 No.Fl.4261-2/19-13-31
nd that the rate of interest at
% was fixed for the whole period
f the loan and not for one year
nly."

File No. 19

Serial No. 60

Diary No. of letter replied to 4886

General and Revenue Secretariat

(Banking

, the 19 .

Date of issue 26-8-14

Signed by W S Shanmuga

D. O

No. H 873

& 26 Aug/14

~~To~~

Dear Sir/Mr. Rao

In your D O dated 28th May 1914 ~~regarding~~ communicating the ~~resolution~~ of the Board of Directors passed in their meeting of the 21st May 1914, about the ~~proposed~~ nature of the fresh deposits carrying interest and of the rate of interest viz 3% fixed thereon, I am directed to state that

over.

SUBJECT.

Co^ty consider it desirable
to retain the right of fixing
the rate of interest from
year to year and that
therefore the rate of interest
at 3% will be in force
for one year from 1st May
1914 as already intimated

yours faithfully

M
1878
Fuller

Ld
4-816

W. C. Rose Esq
Manager, Bank of
England Ld